

GREATER BIRMINGHAM AND SOLIHULL SUPERVISORY BOARD MEETING

10th December 2015

PROJECTS TO BE NOTED

Recommendation

The Supervisory Board is asked to:

1. Note the business cases that have been approved by the Growth Team, as recommended by the Independent Technical Evaluator and the Programme Delivery Director.

Business Case to note

2. Since the last meeting, a further six projects have been approved by the Growth Team and Programme Delivery Director. Short summaries of the project business cases are included within the below annexes for noting which have been recommend for approval by the Independent Technical Evaluator and listed below.
 - A34 Perry Barr
 - Longbridge Connectivity Phase 2 (Park & Ride)
 - Minworth Interchange
 - Mid Cannock Rail Freight Interchange
 - WMG Academy for Young Engineers
 - East Staffordshire Growth & Regeneration Programme

Conclusions

3. The Supervisory Board are recommended to note the projects so that they can be delivered to achieve economic growth and job creation as well as contributing to the 2015/16 expenditure targets.

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Annex A - A34 Perry Barr

Purpose of the Report

To update on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Growth Team on the 27th November 2015, in relation to the funding of the A34 Perry Barr project to the value of £1.9m.

Recommendations

Supervisory Board Members are asked to note the outcome of the Growth Team Board and consider the decision made by the Growth Team Board.

Background and Key Issues

The project forms part of the public realm and infrastructure implementation plan for the Aston, Newtown and Lozells Area Action Plan (AAP), which was formally adopted by the Council on 3rd July 2012. The AAP forms part of the City's statutory Development Plan and is used to inform land use change and regeneration within the area.

The development aspirations in the AAP are reiterated in the Submission version of the BDP 2013, and the Perry Barr Draft Development Framework (Supplementary Planning Document) June 2015. These planning documents identify the land uses for key development sites including BCU site, Gailey Park and the Perry Barr stadium alongside improvements to public realm and connectivity.

The aim is to ensure all new development priorities are attractive, safe and provide high quality pedestrian routes. The subway infilling project is fundamental to achieving this aim; the works will raise the ground level at the heart of the development area to enable a public realm scheme to be implemented as a separate project in 2017/18

The project was recommended for approval by the independent Technical Evaluator on the 5th August 2015 and approved by the Growth Team Board on the 27th November 2015.

Financial and Legal

The following use of funds is based on discussion with BCC:

Capital Funding	2012/13 (000's £)	2013/14 (000's £)	2014/15 (000's £)	2015/16 (000's £)	2016/17 (000's £)	Total (000's £)
Local Growth Fund				800	1,100	1,900
Integrated Transport Block		7.0	18.9	30	185	240.9
Planning and Regeneration	33.7	43.4				77.1
Total	33.7	50.4	18.9	830	1,285	2,218

The funding profile is underpinned by a detailed project plan with milestones which will be monitored by the GBSLEP programme team for performance against expected outcomes. An earlier business case was produced by BCC and was presented to the Growth Team to inform and support the decision made.

Conclusion

This report provides an update on the decision made by the Growth Team on the 27th November 2015.

The Supervisory Board are asked to consider the decision made by the Growth Team Board.

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Date Created: 3rd December 2015

Annex B - Longbridge Connectivity Phase 2 (Park & Ride)

Purpose of the Report

To update on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Programme Delivery Director on 7th December 2015, in relation to the funding of the Longbridge Connectivity Phase 2 Park & Ride to the value of £1.2m.

Recommendations

Supervisory Board Members are asked to note the outcome of the Growth Team Board and consider the decision made by the Growth Team Board.

Background and Key Issues

The Park & Ride project forms part of the Longbridge Connectivity Phase 2 project. The Park & Ride has a project value of £1.9m of which £1.2m is funded through the Local Growth Fund.

The project aligns to the GBS LEP's three Strategic Economic Plan (SEP) pillars of Business, People and Place, and with the strategic transport objectives of accessing international gateways and HS2, freight and Business Efficiency, Access to Growth, access to Labour and Skills.

The project is a critical to enabler for the outputs and outcomes of the Longbridge Connectivity phase 2 scheme to be realised.

The project will enable

- The unlocking of employment opportunities by creating new physical infrastructure
- Reduction in congestion by reducing peak journey times and delays through the Longbridge area through physical improvements
- An enhanced rail traveller experience and facilitate the predicted increase in passenger footfall forecast to accompany the area's regeneration
- Creation of improved walking and cycling facilities by implanting a way finding strategy
- Improvements to public transport journey times and connectivity
- Improved access to skills, notably at Bournville College and Birmingham University, by enhancing the quality of public transport provision.

The project therefore aims to deliver

- The creation of 6,601 (gross) jobs
- The creation of 3,578 (nett) jobs
- The redevelopment of 24ha of brownfield land

- Highways improvements
- Bus and rail improvements
- Way finding and signage improvements
- Support an annual contribution to GDP of £313m.

Financial and Legal

The following use of funds for the Longbridge Connectivity Park and Ride is based on discussion with BCC:

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m
Capital Funding					
Local Growth Fund			1.200		1.200
Private Developer					
Section 106					
Centro			.700		.700
Non Highways Contingency					
Total Capital Funding			1.900		1.900

The funding profile is underpinned by a detailed project plan with milestones which will be monitored by the GBSLEP programme team for performance against expected outcomes. An earlier business case was produced by BCC and Centro and was presented to the Programme Delivery Director to inform and support the decision made.

Conclusion

This report provides an update on the decision made by the Programme Delivery Director on Monday the 7th December 2015.

The Supervisory Board are asked to consider the decision made by the Growth Team Board.

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Date Created: 7th December 2015

Annex C - Minworth Interchange

Purpose of the Report

To update on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Growth Team on 27th November 2015, in relation to the funding of the Minworth Interchange to the value of £2.28m.

Recommendations

Supervisory Board Members are asked to note the outcome of the Growth Team Board and consider the decision made by the Growth Team Board.

Background and Key Issues

The Minworth Interchange forms part of the Sustainable Urban Extension project, which also includes the development sites at Langley and Peddimore. With a Total project value of £11.11m of which £5m is funded through the Local Growth Fund.

The project will remove a congestion hotspot and pinch point on the A38 at Minworth, contributing to a reduction in average journey time and delay for trips using this junction.

Unlock and support the anticipated growth and associated economic benefit of the Peddimore Employment Development, ensuring that jobs created are accompanied by transport infrastructure that provides access to the labour market.

Improve access to the 6,000 new homes that are planned at Langley Sustainable Urban Extension (SUE) resulting in journey time savings for trips to and from the redevelopment site.

Contribute to an increase in regional Gross Value Added (GVA) and create a projected 9079 new/safeguarded jobs

Due to delays in business case development on the Langley and Peddimore development site, owing to public consultation, and the critical path of the Minworth Interchange to facilitate approved highways works on the A38, the decision was taken to accelerate the approval of the Minworth Interchange business case.

The Minworth Interchange project constitutes £2.28m of LGF funding. The business case for Minworth Island was assessed and recommended for approval by the Independent Technical Evaluator (ITE) on the 29th September 2015. The GBS LEP Programme Director approved the funding within his delegated authority on the 26th October 2015; a decision supported by the Growth Team Board on the 27th November 2015.

It is anticipated that the public consultations for the Langley & Peddimore development will conclude in the spring of 2016 and a FBC will follow shortly afterwards.

Financial and Legal

The following use of funds is based on discussion with BCC:

	£'000
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Item 3 – Appendix 2

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Capital Costs							
Fees	68	183	131	0	0	0	382
Works (including Statutory Undertakers)	0	150	1,700	0	0	0	1,850
Risk (QRA)	0	9	50	0	0	0	59
Optimism Bias (Stage 3 – 3%)	0	8	49	0	0	0	57
Land	0	0	0	0	0	0	0
Total Capital Costs	68	350	1,930	0	0	0	2,348
Revenue Costs							
Maintenance of Asset	0	0	9.6	23	23	23	
Total Revenue Costs	0	0	9.6	23	23	23	

	£'000						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Capital Funding							
Local Growth Fund	0	350	1,930	0	0	0	2,280
Integrated Transport Block	68	0	0	0	0	0	68
Section 106	0	0	0	0	0	0	0
Total Capital Funding	68	350	1,930	0	0	0	2,348
Revenue Funding							
Birmingham City Council Approved Budget	0	0	9.6	23	23	23	79
Total Revenue Funding	0	0	9.6	23	23	23	

The funding profile is underpinned by a detailed project plan with milestones which will be monitored by the GBSLEP programme team for performance against expected outcomes. An earlier business case was produced by BCC and was presented to the Growth Team to inform and support the decision made.

Conclusion

This report provides an update on the decision made by the Growth Team on Friday the 27th November 2015.

The Supervisory Board are asked to consider the decision made by the Growth Team Board.

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Date Created: 3rd December 2015

Annex D - Mid Cannock Rail Freight Interchange

Purpose of the Report

To update on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Growth Team on the 27th November 2015, in relation to the funding Local Growth Fund funding for Mid Cannock Rail Freight, to the value of £1,300,000.

Recommendations

Supervisory Board members are asked to note the agreement to fund the LGF grant and the manner in which the funding will be defrayed.

Background and Key Issues

Mid Cannock Rail Freight project was included in the Greater Birmingham & Solihull Growth Deal 7th July 2014.

The project proposes the construction of a new rail freight siding on land owned and operated by Pentalver (Cannock) Ltd, located in the Cannock Chase District of Staffordshire on the Rugeley to Walsall rail network.

Pentalver (Cannock) limited submitted a full business case in May 2015 for a project estimated at circa £14.5m. The ITE recommended the project for funding approval. The programme Delivery Director, under his delegated authority, approved £1,300,000 on the 27th July 2015. Shortly after approval, Pentalver announced that their application for £2.5m of Connecting Europe Fund (CEF) funding had been unsuccessful.

The GBS LEP Delivery Team engaged with both Pentalver and Cannock Chase District Council (CCDC) to work through a solution for funding the £2.5m gap.

In October 2015, CCDC contacted the GBS LEP to discuss the potential acquisition of land adjacent to the Pentalver site. The land estimated at £1,000,000 would form part of Pentalver's contribution. This would ensure that the GBS LEP contribution remains within the 10% allowed under State Aid rules. However, the dynamics of the funding spend profile would change.

CCDC suggested that £600k of LGF approved funding be used towards the land purchase and the £700k balance of LGF funding be used for the purchase of equipment required for the Rail Freight Project. The ITE concurred that there would be no breach of State Aid rules but this would need confirmation from a State Aid specialist third party consultant.

Pentalver have agreed to repay LGF funding allocation with reasonable repayment terms, if their shareholder does not make a positive decision to proceed with the Rail Interchange by the 30th September 2016.

Conclusion

The Supervisory Board is asked to note the decision made by the Growth Team to allow the spend profile of the Mid Cannock Rail Freight Project to be re-profiled to reflect a £600,000 contribution of the LGF funding towards land acquisition. Pentalver (Cannock) Ltd have also been given a deadline of the 30th September 2016 to make a meaningful start in delivering the project.

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Date Created: 4th December 2015

Annex E - WMG Academy for Young Engineers

Purpose of the Report

To update on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Programme Delivery Director on the 4th November 2015, in relation to the funding of the WMG Academy for Young Engineers, to the value of £1,108,000 against a total project value of £18,500,000.

Recommendations

Supervisory Board Members are asked to note the decision made by the Growth Team Board.

Background and Key Issues

The proposed project is to purchase improved and more advanced specialist engineering, science, digital and ICT equipment that will enable the WMG Academy for Young Engineers to undertake a more comprehensive and challenging range of employer led engineering and advanced manufacturing and design projects.

The employer-led projects are at the heart of the Academy's approach to teaching and learning. They form the core of the curriculum. They are being designed to offer an integrated approach to learning as well as an opportunity to develop employability skills – as defined by the GBSLEP.

The WMG Academy for Young Engineers Solihull will open in September 2016 and cater for 640 14 to 19 year olds from East Birmingham and Solihull and the wider region and will directly employ circa 76 staff. In addition and most importantly local employers will be daily visitors to the site to support the development and delivery of the curriculum.

Financial and Legal

The following outputs and use of funds is based on discussion with WMG Academy for Young Engineers:

Description	Outputs/Outcomes
Direct Jobs (By 2017)	76
Skills per year (achieved from 2020/21)	640
Specialist Equipment – As listed in the Funding Agreement	Listed in funding agreement

Capital Funding	2014/15 (£)	2015/16 (£)	2016/17 (£)	2017/18 (£)	Total (£)
Local Growth Fund			1,108,000		1,108,000
Department for Education (DfE)		5,000,000	6,900,000		11,900,000

Solihull Metropolitan Borough Council	500,000	5,000,000			5,500,000
Total	500,000	10,000,000	8,008,000		18,508,000

The funding profile is underpinned by a detailed project plan with milestones which will be monitored by the GBSLEP programme team for performance against expected outcomes. An earlier business case was produced by WMG Academy for Young Engineers and was presented to the Programme Delivery Director to inform and support the decision made.

Conclusion

This report provides an update on the decision made by the Programme Delivery Director on the 4th November 2015.

The Supervisory Board are asked to consider the decision made by the Growth Team Board.

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Date Created: 4th December 2015

Annex F - East Staffordshire Growth & Regeneration Programme

Purpose of the Report

To update on the decision made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Programme Delivery Director on the 26th October 2015, in relation to funding capital costs, to the value of £1,500,000 for East Staffordshire Growth & Regeneration Programme.

Recommendations

Supervisory Board members are asked to note the agreement to fund the LGF grant and the manner in which the funding will be defrayed.

Background and Key Issues

This scheme involves the provision of infrastructure to release for development a programme of three important Brownfield sites in East Staffordshire. Combined, the three sites provide the opportunity to deliver high quality new homes, new commercial floor space, and employment opportunities to the two important urban centres of East Staffordshire, Burton Upon Trent and Uttoxeter. The programmes three sites are strategically important in East Staffordshire and their development is a corporate priority for the council.

The commitment to deliver this programme is shown by the significant progress that has been made over a number of years preparing the sites for development - acquiring and clearing the sites, obtaining relevant planning consents, and constructing the required highways infrastructure to provide access.

The next phase of work which the Local Growth Fund will support involves the construction of new access onto, and roads across the 3 sites, in order to release them for development.

The sites are expected to deliver over 100 new homes in Uttoxeter and 150 new homes in Burton upon Trent which contributes to the boroughs requirement for 1600 new homes to be built by 2031 of which, 75% of these are expected to be built in Burton and 15% in Uttoxeter. The remaining 10% will be required in the rural and semi-rural areas of East Staffordshire.

It is anticipated that 500 new jobs will be created which will offer improved prospects for residents of the Borough.

IT is anticipated that the project will generate circa £50m private sector investment into the programme.

The infrastructure works will start on site in 2015/16 with the development expected to commence in 2016/17 and completion in 2017.

Financial and Legal

The following use of funds has been developed based on discussions with East Staffordshire District Council.

LGF	2015/16 (£)	Sub Totals
Access and Road construction works at Dove Way and Pennycroft	1,000,000	1,000,000
Infrastructure works at Bargates	500,000	500,000
Total	1,500,000	1,500,000

The GBSLEP will contribute £1,500,000 to this £1,600,000 project of which match funding has been secured. The funding profile is underpinned by a detailed project plan with milestones which will be monitored by the GBSLEP programme management team for performance against expected outcomes.

Conclusion

This report provides an update on the decision made by the Programme Delivery Director on the 26th October 2015 under delegated authority. The Supervisory Board are asked to note the decision made by them.

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Date Created: 8th December 2015